

SOUTHERN CALIFORNIA



**ASSOCIATION of  
GOVERNMENTS**

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**Riverside County Transportation Commission:** Robin Lowe, Hemet

**Ventura County Transportation Commission:** Bill Davis, Simi Valley

559-1276704

## MEETING Of the

# ADMINISTRATION COMMITTEE

**Thursday, January 6, 2005  
9:00 a.m. – 10:15 a.m.**

**SCAG Offices  
818 W. 7<sup>th</sup> Street, 12<sup>th</sup> Floor  
San Bernardino A & B Conference  
Rooms  
Los Angeles, California 90017  
213. 236.1800**

## Agenda Enclosed

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Shelia Stewart at 213.236.1868 or [Salcido@scag.ca.gov](mailto:Salcido@scag.ca.gov).

Agendas and Minutes for the Administration Committee are also available at:  
[www.scag.ca.gov](http://www.scag.ca.gov)

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. If you require such assistance, please contact SCAG at (213) 236-1868 at least 72 hours in advance of the meeting to enable SCAG to make reasonable arrangements. To request documents related to this document in an alternative format, please contact (213) 236-1868.

# ADMINISTRATION COMMITTEE

## AGENDA

	PAGE #	TIME
1.0 <u>CALL TO ORDER</u>	Councilmember Dixon, Chair	
2.0 <u>PUBLIC COMMENT PERIOD</u> -- Members of the public desiring to speak on an agenda item, or agenda items not on the agenda, but within the purview of this committee, must notify the Secretary and fill out a speaker's card prior to speaking. A speaker's card must be turned in before the meeting is called to order. Comments will be limited to three minutes. The Chair may limit the total time for comments to twenty (20) minutes.		
3.0 <u>CONSENT CALENDAR</u>		
3.1 <u>Approval Items</u>		
3.1.1 <u>Approve November 4, 2004 Minutes Attachment</u>	100	
3.1.2 <u>Approval of Contracts Attachment</u>	09	
• Parsons Brinckerhoff	10	
• Cambridge Systematics	12	
• Network Infrastructure Upgrade Project (Mailed under separate cover)		
3.1.3 <u>Approval of Cost Recovery Policy Attachment</u>	14	
3.1.4 <u>Approval of AMPO 2005 Membership Dues of \$18,750 Attachment</u>	16	
3.1.5 <u>Approval of FAA System Planning Grant Application Attachment</u>	19	
3.1.6 <u>Approval of \$3,500 from General Fund for Production of New Member Benefits Brochure Attachment</u>	24	
3.2 <u>Receive &amp; File</u>		
3.2.1 <u>Contracts &amp; PO's between \$5,000-\$25,000 Attachment</u>	83	

Administration Committee Agenda 01/06/05 – Salcido  
12/20/04 – DOCS #105767



# ADMINISTRATION COMMITTEE

## AGENDA

			PAGE #	TIME
<b><u>Receive &amp; File – Cont'd</u></b>				
3.2.2	<u>SCAG Congressional and Legislative Representatives for new sessions</u>		84	
	<u>Attachment</u>			
<b>4.0 <u>ACTION ITEMS</u></b>				
4.1	<u>Shanghai Maglev Demonstration Trip</u>	<b>Zahi Faranesh</b>	91	
	<u>Attachment</u>	<b>Manager of Special Projects</b>		
	<b>Recommended Action:</b> Approve participation.			
4.2	<u>Resolution to IVAG Subregion</u>		93	
	<u>Attachment</u>			
	<b>Recommended Action:</b> Approve Resolution #04-459-1			
<b>5.0 <u>INFORMATION ITEMS</u></b>				
5.1	<u>Monthly Financial Report</u>	<b>Heather Copp, CFO</b>	96	5 minutes
	<u>Attachment</u>			
5.2	<u>Merit Pay Program Status Report</u>	<b>Debbie Dillon</b>	104	
	<u>Attachment</u>	<b>Supervising Human Resources Officer</b>		
<b>6.0 <u>CFO STAFF REPORT</u></b>				
<b>7.0 <u>FUTURE AGENDA ITEMS</u></b>				
Any committee members or staff desiring to place items on a future agenda may make such request. Comments should be limited to three minutes.				
<b>8.0 <u>ANNOUNCEMENTS</u></b>				
<b>9.0 <u>ADJOURNMENT</u></b>				

The next meeting is scheduled for February 3, 2005 at SCAG Offices downtown Los Angeles.

Administration Committee Agenda 01/06/05 – Salcido  
12/20/04 – DOCS #105767



**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS**  
**Administration Committee Minutes**  
**November 4, 2004**

**THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE ADMINISTRATION COMMITTEE. AUDIO CASSETTE TAPES OF THE MEETING ARE AVAILABLE FOR LISTENING IN SCAG'S OFFICE.**

The Administration Committee of the Southern California Association of Governments held its meeting at the SCAG Offices, 818 W. 7<sup>th</sup> Street, 12<sup>th</sup> Floor, Los Angeles, CA 90017. The meeting was called to order by the Chairperson, Councilmember Richard Dixon, City of Lake Forest. There was a quorum.

**1.0 CALL TO ORDER**

Chairman Richard Dixon called the meeting to order at 9:05 a.m.

**Committee Members Present:**

Mayor Jim Aldinger	City of Manhattan Beach
Mayor William Alexander	City of Rancho Cucamonga
Mayor Harry Baldwin	City of San Gabriel
Councilmember Paul Bowlen	City of Cerritos
Mayor Margaret Clark	City of Rosemead
Councilmember Mike Dispenza	City of Palmdale
Mayor Richard Dixon	City of Lake Forest
Mayor Alta Duke	City of La Palma
Councilmember Lee Ann Garcia	City of Grand Terrace
Supervisor Hank Kuiper	County of Imperial
Mayor Ron Loveridge	City of Riverside
Mayor Pro-Tem Keith McCarthy	City of Downey
Councilmember Paul Nowatka	City of Cerritos
Councilmember Pam O'Connor	City of Santa Monica
Councilmember Bev Perry	City of Brea
Mayor Pro-Tem Greg Pettis	City of Cathedral City
Councilmember Deborah Robertson	City of Rialto
Vice Mayor Sidney Tyler	City of Pasadena
Councilmember Dennis Washburn	City of Calabasas
Mayor Toni Young	City of Port Hueneme

**Committee Members Absent:**

Supervisor Judy Mikels	County of Ventura
Councilmember Bea Proo	City of Pico Rivera
Councilmember Ron Roberts	City of Temecula
Mayor Bob Yousefian	City of Glendale

**Staff Present:**

Heather Copp	Chief Financial Officer
Charlie Wagner	Manager of Finance
Ed Paul	Internal Auditor

**Others Present:**

Catherine McMillan	CVAG
Jeff Lustgarten	Cerrell Associates
Zahi Faranesh	SCAG
Gina Gibson	SCAG
David Sosa	Caltrans

**2.0 PUBLIC COMMENT PERIOD**

No public comments.

**3.0 CONSENT CALENDAR**

The Consent Calendar was APPROVED (Councilmember Bev Perry), SECONDED (Mayor William Alexander) and UNANIMOUSLY APPROVED.

**3.1 Approval Items**

3.1.1 Approval of October 7, 2004 Minutes

3.1.2 Approval of Contracts

- IBI Group
- Solimar Research Group

3.1.3 Approve Proposed Date, Location & Budget for SCAG's 2005 Regional Council Retreat

3.1.4 Approve Letter of Support for Caltrans Application

**3.2 Receive & File**

3.2.1 Contracts & PO's between \$5,000-\$25,000

**4.0 ACTION ITEMS**

4.1 FY 2004-2005 OWP Budget Amendment #2

Janet Henderson reported that this amendment is requesting to modify some work scopes and schedules, add new projects, and fully fund projects started in July. The amendment will be adjusting funding to consultant contracts that began last year, based on actual expenditures and SCAG staff projects have been revised to shift some personnel hours to other projects requiring resources of more time. New projects are being proposed for SCAG and the Subregions. All of the proposed projects have been reviewed carefully to ensure all of the requested funds can be spent by June 30, 2005. SCAG currently has over \$2.2 million in federal funds available to be programmed.

Janet Henderson reported that with this amendment SCAG is proposing to program only half of the funds currently available, the balance of the funds not programmed will be available to begin July 1, 2005. There have been some revisions made to project scopes and schedules to provide an accurate picture of what is actually taking place now that the work has begun.

The amendment brings the total funds in the Overall Work Program from \$32 million to just over \$33 million.

Ron Loveridge asked how the measures of accomplishments are identified.

Mark Pisano answered that at the beginning of the year a plan is set. At the end of the year, he is evaluated based on whether or not the organization accomplished what it was supposed to. Also, each staff member with an OWP project has that identified in their performance agreement. He suggested that there be more committee discussion of the progress reports and year-end evaluation report to keep on-going status of accomplishments.

It was MOVED (Mayor William Alexander), SECONDED (Councilmember Bev Perry) and UNANIMOUSLY APPROVED to adopt Resolution 04-456-1 approving FY 2004-2005 OWP Amendment #2.

#### 4.2 Audit/Best Practices Subcommittee Report

Chris Ray, Partner, KPMG reported that their opinion for SCAG's financial statements is Unqualified, which is as good as it can get. Because SCAG is a governmental organization it receives multiple opinions, all of which were found Unqualified. There were no identified reportable conditions or material weaknesses in internal controls and compliance factors. He also reported that there are no specific management letter comments this year.

Heather Copp announced that for the FY 2002-2003 Financial Statements, SCAG has been awarded the GFOA Award for Excellence in Financial Reporting and Accounting.

Richard Dixon asked that a letter be sent to Bert Becker thanking him for his efforts toward this achievement.

It was MOVED (Supervisor Hand Kuiper), SECONDED (Councilmember Bev Perry) and UNANIMOUSLY APPROVED to adopt the Annual Financial Statements.

### 5.0 INFORMATION ITEMS

#### 5.1 Joc Meyers, Native American Liaison

Arnold San Miguel presented some background on Joe Meyers and introduced him to the Committee.

Joe Meyers, National Indian Justice Center, made a presentation on the background of the 16 federally recognized sovereign tribes and the importance of a relationship between the tribes and SCAG.

Richard Dixon requested that a copy of the report Joe Myers has produced be provided to the Administration Committee for their review.

5.2 Monthly Financial Report

Heather Copp reported that during the first 90 days of the year, SCAG was debt free 52 of those days. Also, the turnaround time for our invoices to Caltrans is getting shorter, with the last check received within 16 days of submittal.

SCAG will shortly undergo the Tri-annual Certification Review and will be inviting the board to a meeting to give them the opportunity to speak with FTA and FHWA about their role with SCAG. This should take place the afternoon of December 7 or morning of December 8.

6.0 CFO STAFF REPORT

Heather Copp also reported that SCAG is in the process of renewing the line-of-credit and are looking into raising the covenant from \$604,000 to \$700,00 per their request. If there are no issues with this, it will be executed so it will be available for the rest of the fiscal year.

For the DBE program, Jim Gosnell will act as the appeal representative.

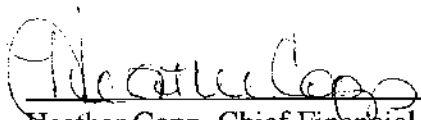
Heather Copp informed the committee that the 9<sup>th</sup> floor is being subleased with no changes to the terms and conditions.

7.0 FUTURE AGENDA ITEMS

8.0 ANNOUNCEMENTS

9.0 ADJOURNMENT

Chairman Richard Dixon adjourned the meeting at 10:15 a.m.

  
\_\_\_\_\_  
Heather Copp, Chief Financial Officer  
Staff to the Administration Committee

# REPORT

Date: December 2, 2004

To: Administration Committee

FROM: Debbie Dillon, Supervising HR Officer  
213-236-1870, [dillon@scag.ca.gov](mailto:dillon@scag.ca.gov)

SUBJECT: Merit Pay Program Status Report



## **BACKGROUND:**

On June 7, 2001 the Regional Council adopted the Classification and Compensation study conducted by Personnel Concepts, Inc. One component of that study was the recommendation to implement a Pay for Performance Program. The parameters of that study have been the basis for SCAG's new performance evaluation process and compensation planning over the course of the last two plus years.

Policy direction from the Regional Council in 2001 included applying the Pay for Performance Program to all employees in the senior level positions and above. This includes executive management, managers, supervisors, leads and seniors. All other employees were to stay on the current compensation system until a later date.

SCAG staff receives compensation adjustments only through the Merit Pay Program. The percentage increases per rating category, as previously approved by the Regional Council in 2001, are as follows:

<b>Evaluation Rating</b>	<b>Percentage Adjustment</b>
Excels	7-9%
Above Standards	4-6%
Meets Standards	1-3%
Needs Improvement or Unsatisfactory	0

SCAG staff does not receive cost of living adjustments and they do not receive step increases. The salary ranges may be adjusted annually if they are determined by a market salary survey to no longer be at the seventy-fifth percentile. A market salary survey is underway with results expected in November 2004. Any suggested changes to the salary ranges will be provided to this Committee prior to implementation. The last salary range adjustment was 2.6% in January 2003.

# REPORT

## **HISTORY OF THE MERIT PAY PROGRAM:**

During fiscal year 2002/2003, a new performance evaluation process was implemented.

In November 2003, this Committee received a report on the status of the program and information that staff would expect to be recommending extension of the program to the rest of the staff in June 2004.

In April 2004, this Committee received a status report and a staff recommendation to extend the Pay for Performance program to all employees for a two-year pilot period. This Committee provided input and concurred with staff's recommendation and recommended to the Administration Committee and the Regional Council to extend the two-year pilot program to all staff in July 2004.

In May 2004, the Administration Committee and the Regional Council received a status report and a staff recommendation to rename the program Merit Pay based on the input from this Committee and to extend the program to all employees effective July 1, 2004. The Regional Council approved the Merit Pay two year pilot program and requested six month status updates.

In July 2004, all employees were evaluated and compensated under the Merit Pay pilot program.

## **ANNUAL PERFORMANCE EVALUATION PROCESS:**

- Development and use of a new, common evaluation format for all staff
- Clear definition of criteria and rating scale
- Linkage of the process to the annual work plan, budget, and fiscal year
- Training in group setting to all Directors, Managers and Supervisors
- Mentoring and coaching throughout process
- Self-evaluation and performance agreement required from each employee
- Issued all evaluations in specified timeframe after careful review by Executive Management and Human Resources
- All employees, except probationary, were moved to a July 1 evaluation date from an anniversary date format in 2003.
- Mid-year evaluations were completed for all employees in February/March of 2004.
- All employees received Merit Pay Program evaluations and compensation in July 2004

## **EVALUATION RATING STATISTICS FOR LAST TWO YEARS:**

The evaluation rating breakdown and applicable salary adjustments is listed below. In July 2003 employees below senior level were eligible for 3% only. In July 2004, all employees became eligible for the Merit Pay program. In both years, employees who were at the top of the salary range received a lump sum payment equivalent to the percentage adjustment in lieu of a base salary adjustment. This lump sum is not subject to CalPERS benefits at this time.



# REPORT

## EVALUATION RATING STATISTICS FOR LAST TWO YEARS:

Evaluation Rating Scale	July 2003 Ratings	July 2003 % Salary Adjustment *	July 2004 Ratings	July 2004 % Salary Adjustment
Excels	17 or 17%	8%	13 or 13%	7%
Above	23 or 22%	5%	31 or 31%	5%
Meets Standards	59 or 57%	3%	51 or 51%	3%
Needs Improvement	4 or 4%	0	6 or 6%	0
Unsatisfactory	0	0	0	0
<b>TOTAL **</b>	<b>103</b>		<b>101</b>	

\*Employees below Senior level received 3%, all other employees eligible for more than 3%.

\*\* Excludes Probationary Employees

### CONCLUSIONS:

We are on target for a second year evaluation process and the first year of applying the Merit Pay compensation adjustments to all employees. Considering that SCAG as an organization had a successful year, the rating distribution is a good indicator of the performance of the organization as a whole. The criteria for measuring success of the program is the correlation between the rating distribution and the performance of the organization and each organizational unit as well as the impact on productivity, efficiency and employee morale.

The evaluation process has been valuable for seeking input. We will continue to seek feedback from all levels of the workforce and make refinements to the program as we progress. We are currently making revisions to the rating criteria and the forms for the next cycle based on feedback we sought in August and September. We have seen improvement in performance expectations and performance management with the refinement of the program. We will continue to refine the rating criteria, the linkage of the rating criteria to SCAG's business objectives and the process itself.

Performance evaluation and performance management training for managers and supervisors occurred in November. The Mid-year review cycle will be completed by January 31, 2005. In April 2005, staff will report on the status of the program to this Committee.